

FUNCTION OF FORM

Completed by lender to request periodic interest rate buydown payments or interest assistance payments for Farmer Program Loans or subsidy payments for EM Actual Loss Loans. This form is also used to continue or adjust interest assistance on the account.

PROCEDURE REFERENCE

HB-1-3565.

PREPARED BY

Lender in consultation with the Agency.

ADDITIONAL INFORMATION

If this form is being completed to establish a continuation of interest assistance after a year with zero percent interest assistance, items 1 through 16 should be completed as usual; item 17 will be 0.00; item 18 as usual; item 19 as 3 (no check issued); and items 21 through 35 as usual.

DISTRIBUTION

Original to Servicing Office and Copy retained by Lender.

INSTRUCTIONS FOR PREPARATION

- Item 1. Enter the Borrower's Case Number. Show the state and county code and the borrower's Social Security or Internal Revenue Service Tax Identification Number.
Example: |2|9|0|3|7|0|9|8|7|6|5|4|3|2|8|
- Item 2. Enter Borrower's Name (Last Name First)—abbreviate when necessary.
Example: |T|H|O|M|P|S|O|N| |R|O|B|E|R|T| |L| | |
- Item 3. Enter the Lender's Internal Revenue Service Tax Identification Number. Example: |0|7|6|5|4|3|2|4|5|6|
- Item 4. Enter Lender's Name—abbreviate when necessary. Example: |F|I|R|S|T| |N|A|T|I|O|N|A|L| |B|A|N|K|
- Item 5. Enter the assigned branch number. Example: |0|3|
- Item 6. Enter assigned loan number. Example: |0|2|
- Item 7. Enter the original loan amount. Example: |\$| | | |5|6|0|0|0|0|0|
- Item 8. Enter the beginning date of the current buydown, interest assistance or subsidy period.
Example: The loan/buydown/interest assistance/subsidy closing date is 05-04-88; initial request beginning date is 05-04-88; subsequent requests will begin with the ending date submitted on the previous request for payment.
- Item 9. Enter the ending date of the current buydown, interest assistance, or subsidy period. The ending date on this request equals the beginning date on the next request.
- NOTE: Interest rate buydown and interest assistance claims may only be submitted for a 12 month period unless it is the first or last claim.
- Subsidy payments on EM Actual Loss Loans may be submitted for a 6 or 12 month period only.
- If the Contract of Guarantee or Loan Note Guarantee is or becomes void or unenforceable, or terminates, or a transfer and assumption occurs, the subsidy/buydown/interest assistance should be claimed up to that date. In the case of assumptions to eligible transferees, the beginning date on the transferred loan is the assumption date; and the initial claim may be at anytime with future claims at 12-month intervals, except as described above.
- Item 10. Enter the principal balance of the loan at the beginning of the subsidy period. If this is the first claim on a new loan, this amount will match the amount advanced on Form RD 1980-19, Loan Closing Report. If this loan was a buydown or interest assistance on an existing loan, this amount will match the loan amount on Form RD 1980-19. For subsequent claims the principal balance must equal the ending principal balance on the previous claim.

ALL INTEREST CALCULATIONS ON THIS FORM ARE BASED ON THE BORROWER'S EFFECTIVE INTEREST RATE.

- Item 11. Enter the borrower's accrued interest at the beginning of the subsidy period. This accrued interest must equal the ending accrued interest shown on the previous claim.
- Item 12. Enter the amount of principal disbursed during the current subsidy period. This amount does not include protective advances. If zero, enter 0.00.
- Item 13. Enter the total amount of interest payments received from the borrower during the current claim period. If zero, enter 0.00.
- Item 14. Enter the total amount of principal payments received from the borrower during the current claim period. If zero, enter 0.00.
- Item 15. Enter the accrued interest balance at the end of the current claim period. If zero, enter 0.00. (This amount is the beginning accrued interest balance on the next claim.)
- Item 16. Enter the principal balance at the end of the current claim period. If Zero, enter 0.00 (This amount is the beginning principal balance on the next claim.)
- Item 17. Enter the amount of interest rate buydown/interest assistance/subsidy payable.

BUYDOWN PAYMENT CALCULATION

$$\frac{(\text{Item 13} + \text{Item 15} - \text{Item 11}) \times \text{Buydown Rate Paid by the Agency}}{\text{Borrower's Effective Rate}}$$

EM ACTUAL LOSS SUBSIDY CALCULATION

$$\frac{(\text{Item 13} + \text{Item 15} - \text{Item 11}) \times \text{Loan Subsidy Rate}}{\text{Interest Rate on Note or Assumption Agreement}}$$

INTEREST ASSISTANCE PAYMENT CALCULATION

$$\frac{(\text{Item 13} + \text{Item 15} - \text{Item 11}) \times \text{Interest Assistance Rate}}{\text{Borrower's Effective Rate}}$$

INSTRUCTIONS FOR PREPARATION (continued)

- Item 18. Enter the applicable code to identify if this is the final payment.
- Item 19. Completed by Servicing Office or Finance Office.
1 = System Generated Check
2 = Manual Check (Finance Office Only)
3 = No Check Issued
- Item 20. Completed by Finance Office Only. The Finance Office will enter the check issue date for manual checks only (item 19 equals 2).

ITEMS 21 THROUGH 26 ARE COMPLETED ONLY IF THE BORROWER IS AN INTEREST ASSISTANCE BORROWER.

- Item 21. Enter the beginning date of the next interest assistance period.
- Item 22. Enter the ending date of the next interest assistance period.
- Item 23. Enter the percent of assistance requested for the next period. **IF THIS PERCENT IS GREATER THAN THE PERCENT ON THE MASTER INTEREST ASSISTANCE AGREEMENT. FUNDS MUST BE OBLIGATED PRIOR TO SIGNING THIS FORM.** If the borrower will need zero percent next year, enter 00.000.
- Item 24. Enter the applicable code.
1 = Yes
2 = No
IF CODE 1 (YES) IS ENTERED, THE ASSISTANCE FUNDS FOR THE REMAINING LIFE OF THE AGREEMENT ARE DEOBLIGATED; THEREFORE, THERE ARE NO FUTURE PAYMENTS.
- Item 25. Enter the effective date of the interest assistance termination. Complete only if item 24 equals 1.
- Item 26. Enter the reason for termination code. Complete only if item 25 is complete.
01 — Borrower is no longer eligible for interest assistance.
02 — Loan is paid in full.
- Item 27. **THIS FORM WILL BE RETURNED IF IT IS NOT SIGNED.** Enter the authorized lender's signature.
- Item 28. Enter the title of the person authorized to sign this form.
- Item 29. Enter the date signed by the lender's representative.
- Item 30. Enter the percent of interest assistance approved. **TO BE COMPLETED BY SERVICING OFFICE ONLY.** This amount may not exceed the Maximum Rate of Interest Assistance which was obligated and is stated on the Interest Assistance Agreement.
- Item 31. Enter the authorized Agency representative signature for approval.
- Item 32. Enter the title of the authorized Agency representative.
- Item 33. Enter the date signed by Agency representative.